

Exhibit 2

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CIVIL MINUTES - GENERAL

Case No. MDL 13-2424-GW(FFMx)

Date March 28, 2013

Title *In Re: Hyundai and Kia Fuel Economy Litigation*

Present: The Honorable GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez

Sheri Kleeger

Deputy Clerk

Court Reporter / Recorder

Tape No.

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

IN PERSON

Richard D. McCune, Jr.

Laura Antonini

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BY TELEPHONE

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Anne Marie Murphy

Richard E. Norman

Courtney L. Peinhardt

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Justin Saif

Martin Weber, Jr.

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PROCEEDINGS: SCHEDULING CONFERENCE

: 02

Initials of Preparer JG

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The Court's understanding as to portions of the present status of this litigation is circulated and attached hereto.

The Court consolidates the following additional related cases into the MDL action:

Brian Weber, et al. v. Hyundai Motor America, et al., SACV 13-27-GW(FFMx)
Kamneel Maharaj, et al. v. Hyundai Motor Company, et al., SACV 13-70-GW(FFMx)
Kim Iocovozzi v. Kia Motors America, Inc., SACV 13-159-GW(FFMx)
Herbert J Young v. Kia Motors America, Inc., et al., CV 13-167-GW(FFMx)
Linda Hasper, et al. v. Hyundai Motor Company, et al., SACV 13-220-GW(FFMx)
Leslie Bayard, et al. v. Hyundai Motor Company, et al., SACV 13-257-GW(FFMx)
Tricia Fellers v. Kia Motors America, Inc., SACV 13-384-GW(FFMx)
Orlando Elliott v. Hyundai Motor America, SACV 13-385-GW(FFMx)
James Bonsignore v. Kia Motors America, Inc., SACV 13-386-GW(FFMx)
Margaret Setser v. Kia Motors America, Inc., SACV 13-387-GW(FFMx)
Guillermo Quiroz, et al. v. Kia Motors America, Inc. et al., SACV 12-2091-GW(FFMx)
Douglas Kurash, et al. v. Hyundai Motor America, et al., SACV 12-2164-GW(FFMx)
Andres Carullo, et al. v. Kia Motors America, Inc. et al., SACV 12-2174-GW(FFMx)
Laura S. Sutta, et al. v. Hyundai Motor America, SACV 13-417-GW(FFMx)
Georgia L. Thomas, et al. v. Hyundai Motor Company, et al., SACV 12-2008-GW(FFMx)
Eric J. Olson, et al. v. Hyundai Motor Company, et al., SACV 12-2025-GW(FFMx)

Parties are advised that all subsequent filings will be filed under *In Re: Hyundai and Kia Fuel Economy Litigation*, MDL 13-2424-GW(FFMx). Parties will file their respective Notice of Appearances.

The Court appoints Eric H. Gibbs as liaison counsel for purposes of settlement. The Scheduling Conference is continued to **April 11, 2013 at 9:30 a.m.** Mr. Gibbs will file a Status Report re Settlement by noon on April 9, 2013.

Defendants' obligation to respond to the individual complaint(s) and discovery matters are stayed pending settlement in this action.

: 02

Initials of Preparer JG

In re HYUNDAI AND KIA FUEL ECONOMY LITIGATION, Case No. MDL-13-2424

The following is provided to counsel to delineate the Court's current understanding as to portions of the present status of this litigation. It is neither meant to constitute a ruling or holding of the Court nor is it binding on any party. It is provided for purposes of discussion only.

I. Liaison Counsel

A. "Non-Settling" Plaintiffs

On March 11, 2013, the Maharaj Plaintiffs submitted a "joint statement regarding liaison settlement counsel" in which they claim that "[n]on-settling plaintiffs in 21 of the cases pending before the Court" support the appointment of "Eric H. Gibbs of Girard Gibbs LLP as liaison settlement counsel." See Case No. MDL-13-2424, Docket No. 17 at 2. They assert that Gibbs is qualified because of his experience in litigating complex, multi-party suits. See *id.* at 3. Plaintiffs seek this appointment only for "early-stage settlement negotiations," and ask that it cease "when a settlement is approved" or if the litigation proceeds. *Id.*

"Non-settling" Plaintiffs in the following 21 cases have agreed to the appointment of Gibbs as liaison counsel:

Armstrong v. Kia Motors America, Inc.
Carullo, et al. v. Kia Motors America, Inc., et al.
Dunst v. Hyundai Motor America, Inc., et al.
Gordon v. Hyundai Motor America, Inc.
Graewingholt v. Hyundai Motor America, Inc.
Gudgalis, et al. v. Hyundai Motor America, Inc.
Hammond, et al. v. Hyundai Motor America, Inc.
Hayes v. Kia Motors America, Inc., et al.
Hoessler, et al. v. Kia Motors America, Inc.
Leggett vs. Kia Motors Corporation, Inc.
Maharaj v. Hyundai Motor America, et al.
Maturani v. Hyundai Motor America, Inc.
Quiroz, et al. v. Kia Motors America, Inc., et al
Sanders, et al. v. Hyundai Motor Company, et al.
Thomas, et al. v. Hyundai Motor America, et al.
Torres v. Kia Motors America, Inc., et al.
Washburn v. Kia Motors Corporation, et al.
Wilson v. Kia Motors America, Inc., et al.
Wilton v. Kia Motors America, Inc., et al.
Woodruff v. Kia Motors America, Inc.
Young v. Kia Motors America, Inc., et al.

Counsel for the *Brady/Hunter* Plaintiffs filed a response stating that they had no objection to Gibbs' appointment. Case Nos. CV-12-1930, Docket No. 33, and CV-12-1909.

B. "Settling" Plaintiffs

Plaintiffs in the below listed cases did not join in the March 11 statement filed by the Maharaj Plaintiffs, and previously on February 26, 2013 had indicated that they agreed to the appointment of Hagens Berman Sobol Shapiro, LLP and McCune Wright, LLP, as interim lead and liaison counsel (*see Case No. MDL-13-2424, Docket No. 6 at 3-4*):

Bayard, et al. v. Hyundai Motor America, Inc., et al.
Brady, et al. v. Hyundai Motor America, Inc., et al.
Espinosa, et al. v. Hyundai Motor America, Inc.
Hunter, et al. v. Hyundai Motor America, Inc., et al.
Kievit, et al. v. Hyundai Motor America, Inc.
Kurash, et al. v. Hyundai Motor America, et al.
Reeves v. Kia Motors America, Inc.
Rezai v. Hyundai Motor America, Inc.
Rottner v. Hyundai Motor America, Inc.
Thompson, et al. v. Hyundai Motor America, Inc., et al.
Weber, et al. v. Hyundai Motor America, Inc., et al.

While Plaintiffs in the *Espinosa*, *Hunter*, and *Brady* cases are reported to have "reached an agreement in principle on terms of a settlement [with Defendant Hyundai],"¹ (*Id.* Docket No. 6 at 2), the Court would confirm that the other Plaintiffs in this category agree with the terms of the proposed settlement distributed on February 21, 2013 and/or remain amenable to Hagens Berman and McCune Wright serving as their liaison counsel. If not, these Plaintiffs should indicate why they disagree with the appointment of Gibbs as liaison counsel for "non-settling" parties and/or file formal objections with the Court.

C. Objections to the Proposed Leadership Structure

The day before this Court's February 28 status conference, the Iocovozzi Plaintiffs filed an objection to the appointment of McCune Wright and Hagens Berman as interim lead counsel for the putative class (Case No. MDL-13-2424, Docket No. 8), and they have not joined the "non-settling" parties in agreeing on the appointment of Gibbs as liaison counsel. The Iocovozzi Plaintiffs have also filed a request that Mark Tate and Barley Turner be appointed to act as lead counsel for the Georgia and Tennessee subclasses. Docket No. 7.

Plaintiffs in the *Krauth* and *Hasper* cases also object to the appointment of McCune Wright and Hagens Berman as lead or liaison counsel. Case No. CV-12-1935, Docket No. 6 at 4. These Plaintiffs also did not join the other Plaintiffs in agreeing on the appointment of Gibbs as the "non-settling" Plaintiffs' liaison counsel. On March 6, 2013, the *Krauth* and *Hasper* Plaintiffs filed a "status conference statement regarding settlement liaison counsel" in which they stated that their attorneys "have no interest in a role that would prevent [their] substantive input in the settlement negotiations. *Id.* Based on the limited information provided by the plaintiff"

¹On March 26, 2013, Hagens/Berman counsel reported that Plaintiffs in the *Espinosa*, *Hunter*, and *Brady* actions had "reached an agreement in principle [with defendant Hyundai] on terms of a settlement" and "a settlement term sheet [was distributed] to the plaintiffs' counsel who had not participated in the settlement discussions.." Case No. CV-12-1930, Docket No. 34 at 1. It was also reported that the Plaintiffs in the *Hunter* and *Brady* cases had reached an agreement in principle with defendant Kia on the same terms as the Hyundai settlement.

firms that are negotiating with the Defendants, we believe that the tentative settlement needs to be improved, and we cannot accomplish that goal by acting as a silent observer.” *Id.*, Docket No. 33, at 2.

Thus, as it currently stands, Plaintiffs in the following cases have objected to the liaison counsel in the settlement negotiations:

Krauth, et al. v. Hyundai Motor America, Inc., et al., 12-1935

Hasper, et. al. v. Hyundai Motor America, Inc., et al., 13-220

Iocovozzi v. Kia Motors America, Inc., 13-159

D. Remaining Plaintiffs

The following Plaintiffs did not join the statements filed by either the “settling” or “non-settling” parties above, nor have they filed separate papers objecting to the proposed leadership structure:

Fellers v. Kia Motors America, Inc., 13-384

Elliott v. Hyundai Motor America, 13-385

Bonsignore v. Kia Motors America, Inc., 13-386

Setser v. Kia Motors America, Inc., 13-387

Olson, et al. v. Hyundai Motor Company, et al., 12-2025

Sutta, et al. v. Hyundai Motor America, 13-417

Simmons v. Kia Motors America, Inc., et al., 13-1126

Lipman v. Hyundai Motor America, Inc., et al., 13-1127

Naythons v. Hyundai Motor America, Inc., et al., 13-1135

Some of these cases, such as *Bonsignore* and *Setser*, were filed as recently as the beginning of this month. See, e.g., Case No. CV-13-0387, Docket No. 1.

Settlement Discussions

In early February, Plaintiffs in *Espinosa, Hunter*, and *Brady* reached an agreement in principle on terms of a settlement with defendant Hyundai Motor America. See 13-ML-02424, Docket No. 4. At the February 14, 2013 status conference, the Court ordered the settling parties to distribute a settlement term sheet to Plaintiffs’ counsel who had not participated in the settlement discussions. *Id.*

On March 21, 2013, the *Hunter* and *Brady* Plaintiffs met to discuss settlement with Kia. CV-12-1930, Docket No. 34 at 2. Gibbs, whose application for liaison counsel is pending before the Court, was invited by the *Hunter* and *Brady* Plaintiffs to attend the discussions and “represent non-settling firms.” *Id.* To prepare for this meeting, Gibbs “collected information from many of the non-participating Plaintiffs’ firms regarding their clients, their views on the litigation, and their questions and concerns about the proposed settlement.” Case No. CV-13-0070, Docket No. 24 at 2. During the meeting, Gibbs “was briefed by Defendant Kia on its view of the underlying problem, allowed to ask any questions he had, shown the underlying spreadsheet outlining the valuation approaches taken, and offered assistance” from the *Hunter* and *Brady* Plaintiffs. CV-12-1930, Docket No. 34, at 2.

At the March 21, 2013 settlement meeting, Plaintiffs in *Hunter* and *Brady* reached an agreement in principle with Defendant Kia on the same terms as the Hyundai settlement. CV-12-

1930, Docket No. 34, at 3. Since this meeting, Gibbs has “continued to analyze the data and [has] had several follow-up discussions with *Brady/Hunter* counsel.” CV-13-0070, Docket No. 24, at 3. Gibbs has also continued to communicate with non-settling Plaintiffs and convened a group call with many of those firms on March 27. *Id.*

On March 25, 2013, the parties reached an agreement on the terms of a protective order regarding the release of the compensation levels for vehicles affected by the proposed settlements. CV-12-1930, Docket No. 34 at 2-3. Counsel have informed the Court that the compensation levels are being disclosed to firms immediately upon receipt of the signed protective order. *Id.*

As a result of an agreement in principle that now extends to both Hyundai and Kia, the *Hunter* and *Brady* Plaintiffs have asked the Court to:

- (1) Formally appoint liaison counsel;
- (2) Stay all pending discovery, except for the confirmatory discovery necessary under the settlement; and
- (3) Allow Plaintiffs until June 3, 2013, to file for preliminary settlement approval.